## REMARKS

This application has been reviewed in light of the Final Rejection dated December 11, 2009. Reconsideration of this application in view of the below remarks is respectfully requested. Claims 1-27 are pending in the application with Claim 1, 12, 17, 22, 24 and 26 being in independent form.

By way of the present amendment, Claims 1, 12, 17, 22, 24 and 26 are amended to recite features relating to the encoder controller monitoring a size of a free area of the recording medium for recoding said compressed video image data; and automatically adjusting an average bit rate, and a frame rate of said compressed video image data based on the monitored size of the free area in response to changes to the free area of the recording medium. Support for the recited features in amended Claims 1, 12, 17, 22, 24 and 26 can be found throughout the disclosure as originally filed, for example, FIG. 3, 6 and 8, and corresponding passages in the specification. Therefore, no new subject matter is introduced into the disclosure by way of the present amendment.

## I. Rejection of Claims 1-27 Under 35 U.S.C. § 102(b)

Claims 1 – 27 are rejected by the Examiner under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 6,144,797 issued to MacCormack et al.

The video security system disclosed in MacCormack et al. includes a compression circuit that applies a JPEG compression to the individual reference fields of the video being recorded, while the difference fields are only recorded and compressed if a significant amount of change in the scene has occurred in comparison to the reference field. A user of the MacCormack et al. system controls the recording quality of the video prior to initiation of recording, by selecting quality settings from a drop-down list. (Sec. Col. 86, lines 3 – 30).

There is, however, no disclosure of an encoder controller, which monitors a size of a free area of a recording medium for recoding the compressed video image data and automatically adjusts a frame size, a frame rate, and an average bit rate of the compressed video image data based on the detected size of the free area, in response to changes to the free area of the recording medium, the adjusting occurring throughout the compressing of the non-compressed video image data, as recited in the claims. In this way, the present invention can optimize the quality of the compressed video image data in response to changes in the number of frames, recording time and amount of free area on the recording medium.

In contrast, MacCormack et al. sets the frame size, a frame rate, and an average bit rate of the compressed video image data at the initiation of the compression process and maintains the same parameter values throughout the compression of a non-compressed video image data. Thus, if more space is made available on the recording medium during a compression process (for example by deletion of data stored on the storage medium), the MacCormack et al. disclosed system does not automatically adjust the parameters in order to utilize the newly available space throughout the compression process.

With regards to the free area on the recording medium, MacCormack et al.

discloses two options, the first being recording data until the medium is full; and the second
being recording video data on the recording medium in a continuous loop. There is no disclosure
of controlling any aspect of the video compression based on changes to the amount of free space
on the recording medium.

Regarding the passages cited in the present Office action, namely col. 36, lines 49 -67, col. 72, lines 11-32, and col. 86, lines 14-31, none of these passages provide teaching or suggestion of Applicants' claimed encoder controller.

Specifically, col. 36, lines 49-67 discloses a compression setup phase of the compressor manager software module. Additionally, col. 72, lines 11-32 discloses changing video compression parameters in response to an alarm condition. The purpose for changing the video compression parameters is to increase the resolution of the captured video during the alarm condition. Further, col. 86, lines 14-31 disclose that the recording rate options are accessed by way of a pull-down list. Thus, according to the teachings in col. 86, lines 14-31, changes to recording rate would necessarily be made manually through manipulation of a pull-down list.

Taken separately or as a whole the cited passages fail to anticipate, or suggest, monitoring a size of a free area of a recording medium for recording the compressed video image data and automatically adjusting a frame size, a frame rate, and an average bit rate of the compressed video image data based on the detected size of the free area, in response to changes to the free area of the recording medium, the adjusting occurring throughout the compressing of the non-compressed video image data, as performed by the claimed encoder controller.

It is well-settled by the Courts that "[A]nticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Company, et al., 730 F.2d 1452, 221 USPQ 481 (Fed. Cir., 1984).

Therefore, as demonstrated above, because MacCormack et al. does not disclose each and every element recited in the present claims, Applicants respectfully submit that the rejection has been obviated. Accordingly, Applicants respectfully request withdrawal of the rejection with respect to Claims 1 - 27 under 35 U.S.C. § 102(b).

## **CONCLUSIONS**

In view of the foregoing remarks, it is respectfully submitted that all claims presently pending in the application, namely, Claims 1-27, are believed to be in condition for allowance and patentably distinguishable over the art of record.

If the Examiner should have any questions concerning this communication or feels that an interview would be helpful, the Examiner is requested to call Applicants undersigned attorney at the number indicated below.

Respectfully submitted,

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